FBIS DAILY REPORT

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ARGENTINA SIGNS PROTOCAL TO QUITO CONSENSUS

PA162155 Quito Voz de los Andes in Spanish 1730 GMT 16 May 79 PA

[Text] At Foreign Minister Jose Ayala Lasso's office and in the name of the Interventor General of Argentina's General Investment Council, Col Julio Cesar Medeiros proceeded to sign the protocol to the Quito consensus, a document on the creation of a pre-investment information center whose headquarters will be here in Quito.

After the ceremonies, in which the representatives of the various pre-investment organizations participated, the foreign minister stressed the importance of this event, which represents a firm step toward cooperation among the countries in the area.

OLADE TECHNICIAN LEAVES FOR PRC ON OBSERVATION TOUR

PA151449 Madrid EFE in Spanish 0819 GMT 15 May 79 PA

[Text] Quito, 15 May (EFE)--Mexican engineer Francisco Monteverde, technical director of the Latin American Energy Organization (OLADE), left for the PRC on Monday on a technical observation tour. The trip is in response to an invitation from the UN Industrial Development Corporation (UNIDO) to become acquainted with PRC programs in the field of electrical power generation through hydraulic microsystems.

A spokesmen for OLADE, which is headquartered in Quito, noted that this is the first step in a joint OLADE-UNIDO program for mass installation of this type of hydroelectric plant in Latin America. In line with this objective, the regional organization announced that it will prepare a feasibility study on development of this type of system to provide electrical power to small rural and urban communities in some Latin American countries.

According to OLADE, the PRC's experience in this type of electricity generation is among the most advanced in the world. It began installing these plants in 1957 on streams and rivers for the benefit of nearby communes. The capacity of this type of hydroelectric microcentrals currently installed in the PRC is 50 million kw.

GEPLACEA SEEKS U.S. RATIFICATION OF SUGAR AGREEMENT

FL151944 Havana Domestic Service in Spanish 1705 GMT 15 May 79 FL

[Text] The Latin American and Caribbean countries are planning to make individual efforts to achieve the U.S. Government's ratification of the sugar agreement negotiated in Geneva in 1977. A similar action will be undertaken with EEC countries so that they abandon their protectionist policy in matters dealing with sugar and contribute to restore the world market.

Those decisions are among the main agreements adopted by the Economic Group of Latin American and Caribbean Sugar Exporting Countries [GEPLACEA] during its 10th meeting held 2 weeks ago in Buenos Aires, Argentina. During that meeting the 22 members of the group reiterated their confidence that the present sugar agreement is the ideal mechanism to reorganize the world sugar market.

DOMINICA, SANTA LUCIA RECEIVE RECOGNITION

PY161502 Buenos Aires Domestic Service in Spanish 1030 GMT 16 May 79 PY

[Text] The Argentine military government yesterday recognized two new American states as independent. These are Dominica and Santa Lucia, which proclaimed their independence on 22 November 1978 and 22 February 1979 respectively. The government decree specified that the two countries have fulfilled all the requirements of international law necessary to be admitted among the world nations as independent states. The decree also states that Argentina supports the principle of universality of international relations as part of its foreign policy.

BEAGLE CHANNEL NEGOTIATOR LEAVES FOR VATICAN

PY161417 Paris AFP in Spanish 1940 GMT 15 May 79 PY

[Text] Buenos Aires, 15 May (AFP)--It was reported here that Gen Ricardo Etcheverry Boneo (ret) left today for Rome to join the Argentine negotiating mission for the Beagle Channel dispute which is being mediated by the Vatican. Etcheverry first presented a report for the Foreign Affairs Ministry concerning the progress of the meetings which the Argentine delegation has held until now with the pope's representative in the negotiations, Cardinal Antonio Samore.

The meetings between the representatives of the two countries with the papal representative will be held alternately, one each week, it was reported. Local sources said that these informative meetings will allow Cardinal Samore to obtain more information about the position of each of the countries. He will also study the documents presented by the governments of Argentina and Chile.

PAPER SEES OIL AS GEOPOLITICAL WEAPON

PY170311 Buenos Aires LA NACION in Spanish 16 May 79 p 8 PY

[Editorial: "A Geopolitical Weapon"]

[Text] The development of the modern world rests on a river of oil. If on any given day the oil wells became inactive, the industrial progress of Europe, Japan and Latin America would fall apart like a castle made of cards. We have deliberately left the United States out. In effect, this country still has plenty of oil at its disposal and it will surely place a rigorous control on current consumption, which seems to be squandering more than it legitimately needs. Instead, Europe and Japan have no extenuating circumstances in their destinies. Their prosperity of the sixties and up to the energy crisis (1973) depended on countries located on other continents, many of which are subject to regimes which respond to the political interests of the USSR.

The U.S. President has tacitly acknowledged that "the energy crisis is real." The former candidate who was full of promises has become the statesman responsible for the destiny of his country, and he was admitted that his campaign for controlling the price of gasoline was not adapted to reality. Now that prices have been freed, it could be thought that Carter is favoring the interests of the large oil companies. But what he is really doing is placing the U.S. consumer face to face with his own income. The person who must control his interests, as of now, is the man who owns a car and whose wife and children each have one of their own.

The drama is more pathetic in the rest of the industrialized world. Oil is the most important political weapon and its use depends on who manages it. "Just over 80 percent of the world's oil reserves are in Russia or countries which have come under or which may fall under its sphere of influence," Raul Ondarts [chairman of the Government Oil Deposits--YPF], remarked at the University of Santiago del Estero. Regarding production these same countries produce 75 percent, other words, three-quarters of the oil consumed by the world.

This oil is located in lands dominated by doctrines contrary to the West and its idea of life. It is an obscure force which is at the service of even more obscure interests. The "oil peoples" live in an elemental and chronic primitivism and are easy prey to any type of religious or political sectarianism. Think about Iran. If in the religious sphere it means a backward step of several hundred years, then in the political sphere it means falling the dogma of Lenin, which will always be at the service of the interests of the sector's most powerful partner. "It would be sufficient," the YPF chairman remarked during his conference, "for those producing countries to agree, for political or economic reasons, to a 20 percent reduction in production to see the economic development of Western Europe, Japan and Latin America rocked to its roots."

After 1973 the Arab sheiks have junketed through the Western world committing all types of extravagances with their untold wealth. The West has provided them with cars full of golden embellishments and it has stored the petro-dollars in its banks. They have bought hotel and bank chains and even whole resorts. The capacity for fantasy seems to have become exhausted and these celebrities are now speculating with a more dangerous hazard--leave the crude oil in the ground. The oil is then to be found in countries dominated by sectarianism--here it is necessary to include Libya, Algeria--fanaticism and violence.

The USSR is advancing on the map of the world. In some areas in the name of Marx, in other in the name of Muhammad. Its goal is always the same: To dominate the sources of energy with a cunning geopolitical strategy and place Europe in the definite sunset of its power in order to take over its industrial potential intact.

BRIEFS

IDB TECHNICAL COOPERATION--The IDB has approved a technical cooperation operation for $15 million for community development and the control of endemic illnesses in the provinces of Santiago del Estero and La Rioja. [Buenos Aires LA RAZON in Spanish 4 May 79 p 3 PY]

BOLIVIAN ARMY CHIEF VISIT--The commander in chief of the Bolivian Army, Gen Ramon Zero Zanzetenea, is paying an official visit to the country. General Zero Zanzetenea will visit several army installations and will meet with President Jorge Rafael Videla. [Buenos Aires Domestic Service in Spanish 1030 GMT 7 May 79 PY]

COLOMBIAN MILITARY CHIEF--The commander of the Colombian Air Force, Gen Raul Alberto Paredes Diago returned to his country today after an 8-day visit to Argentina. He was seen off at the Aeroparque Metropolitan Airport by Argentine Air Force Lt Gen Omar Domingo Graffigna. [Buenos Aires Domestic Service in Spanish 2000 GMT 16 May 79 PY]

POLIO VICTIMS--Salta--The Public Health Under Secretariat has reported that 30 children have died from polio in southern Bolivia. Argentine officials in Salta and Jujuy provinces bordering Bolivia have taken preventive measures and are carrying out a massive vaccination program. [Buenos Aires LA PRENSA in Spanish 14 May 79 p 3 PY]

PRC SUPPORTS CREATION OF TIN-PRODUCERS ASSOCIATION

PY162126 La Paz INFOBOL Diplomatic Information Service in Spanish 1115 GMT 16 May 79 PY

[Text] The PRC supports Bolivia in the creation of a tin-producers association, a high-ranking official of the PRC Communist Party told six Bolivian reporters who visited that nation. Geng Biao pointed out that the Third World countries must unite in order to resist the pressures exerted by imperialist nations on the prices of certain products.

Regarding the need to establish diplomatic relations with the PRC, the Chinese representative pointed out that "there is optimism regarding this possibility and although the situation is difficult at this time, contacts will be made to carry out negotiations at the commercial and cultural level." Vice Premier Geng Biao also stated PRC support for Bolivia's demands for an outlet to the sea.

NEW FOREIGN MINISTER PLEDGES CONTINUATION OF POLICY

PY161937 La Paz INFOBOL Diplomatic Information Service in Spanish 1130 GMT 16 May 79 PY

[Text] Foreign Minister Jorge Escobari Cusicanqui yesterday said the foreign policies established by the government military junta will be continued within the framework of the process of constitutionalization of the country.

Escobari praised the work done by former Foreign Minister Botelho and demanded cooperation and dedication from his ministry's personnel. He also appointed Alfredo Otero as the new under secretary of foreign relations.

The outgoing foreign minister, Raul Botelho, said he was pleased with Escobari Cusicanqui's appointment, praising his personality and emphasizing that this proves that the government intends to give impulse to diplomacy. Botelho thanked the military junta for giving him the honor to become foreign minister and noted the achievements made during his administration.

ELECTORAL COURT CONCERNED BY LOW VOTER REGISTRATION

PY161422 Buenos Aires LATIN in Spanish 2011 GMT 15 May 79 PY

[Text] La Paz, 15 May (LATIN)--The Bolivian electoral court today began a publicity campaign to encourage citizens to register for voting in the 1 July elections, only 15 days before the close of voter registration. The measure demonstrates the concern caused by the marked lack of voters at the registration offices.

The publicity campaign will be conducted by radio, television and press to encourage citizens to register, while they will be asked for their registration papers at banks, public offices and courts before being allowed to conduct any business there.

Marcelo Cespedes, the president of the electoral court, revealed that only 25 percent of eligible voters, estimated to be less than 2 million, have fulfilled the law's requirements.

The unwillingness to register is more marked in urban centers than in rural areas, with only weeks away from 1 July, election day. The registration of candidates and voters will close on 31 May.

REJECTION OF 1975 U.S PROPOSAL REVEALED

PY180207 Paris AFP in Spanish 1114 GMT 16 May 79 PY

[Text] Rio de Janeiro, 16 May (AFP)--It was reported last night in Rio de Janeiro that the Brazilian Government rejected a U.S. proposal in 1975 for negotiating a nuclear agreement. The proposal was made several months before the signing of the FRG-Brazilian nuclear agreement, the press agency of the newspaper JORNAL DO BRASIL indicated. Mentioning as its source of information a document of the U.S. Westinghouse enterprise which is deposited in the library of the Brazilian Mines and Energy Ministry.

The press report, which has neither been confirmed nor denied by the appropriate Brazilian government organization, adds that the U.S. proposal was rejected because it did not offer the transfer of technology for enriching and reprocessing uranium.

It indicates that in 1974 the state enterprise FURNAS, which is building the Brazilian nuclear plants, signed a contract with the U.S. Atomic Energy Commission for enriching the fuel loads of the Angra Two and Three plants, whose reactors would have been purchased from Westinghouse in the United States. Westinghouse built the 626,000 kw reactor for the Angra One nuclear plant, which will begin to operate next year.

The information also indicates that in May 1975, a month before [words indistinct] Westinghouse submitted a draft agreement to the Brazilian government for installing several nuclear plants in Brazil of the type [words indistinct] technical assistance for the nuclear development of nuclear engineering and the manufacture of nuclear parts in the country.

The FRG-Brazilian nuclear agreement was the object of harsh criticism by the U.S. Government, which indicated its opposition to the transfer of technology for reprocessing and enriching uranium in Brazil.

The agreement includes the whole chain of operations which are necessary for producing nuclear energy from uranium prospecting, extraction and treatment, to the building of eight 1.3 million kw nuclear plants, including a uranium enriching plant and another for reprocessing nuclear fuels. On Monday Brazilian Mines and Energy Minister Cesar Cals asserted in Brasilia that his country "resisted, is resisting and will continue to resist all types of pressure against the reprocessing of uranium in Brazil," and he stressed that the nuclear agreement signed with the FRG will be fully implemented.

PAPER ON REEXAMINATION OF NUCLEAR ACCORD WITH FRG

PY162206 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 May 79 p 3 PY

[From the "Notes and Information" page: "Again the Nuclear Accord"]

[Text] The representatives of the National Industrial Confederation and the CPI [Congressional Investigating Committee] are asking the Federal Government to review the terms of the nuclear accord with the FRG, at least the portions which deal with the timetable, because it is impossible to foresee the final costs. [paragraph continues]

The government has already unearthed a temporary solution to take care of the financial obligations in local currency through the utilization of funds resulting from the overpricing of gasoline to subsidize other oil byproducts. In addition to being wasted funds, these resources will not last forever. At most they will finance the local currency part of the cost of the eight nuclear plants and the uranium enrichment and recycling plants, whose costs, we insist, are not definitely established yet.

What these funds will not manage to palliate is the permanent negative effect which the cost of 10 million nuclear-generated kilowatts will have on the overall consumer system. In any case, this cost--1.2 to 1.4 cruzeiros per kilowatt house against 0.5 to 0.6 cruzeiros generated by hydroelectric dams (at current prices)--will further burden the expenses of the consumer by inevitably increasing the power bill. The difference between nuclear and hydroelectrically generated power is constantly increasing as a result of security measures, the extension of the time of construction, the cost of uranium and of the maintenance of nuclear plants.

It could be said that the nuclear program is aimed not only at power generation but at controlling the entire cycle of uranium processing. On the basis of government-announced uranium reserves, amounting to 193,800 tons, Brazil could become in the future a great supplier of enriched uranium. Minister Cesar Cals went as far as to say that known reserves will net the country around $260 billion, which will easily pay for the entire nuclear program and would place us at the head of uranium suppliers in the world, like Saudi Arabia within OPEC. However, it was proved that the minister had erred by mistaking gross reserves for enriched uranium at the rate of 3 percent. In his statement to the CPI, Professor Jose Goldemberg and other scientists proved that even having 200,000 tons of uranium (which so far is just a theory) we could obtain at most $39 or 40 billion by enriching it.

It is obvious that minister Cesar Cals had been badly misinformed on the value of our reserves by his NUCLEBRAS advisers, who were probably motivated by the desire to justify in any way the nuclear program hastily arranged with the FRG. Thus we believe that the minister should do better in selecting his advisers in this field to avoid making such gross mistakes, understandable in people who have little knowledge of the complexities of nuclear energy, but utterly unforgivable in NUCLEBRAS technicians. We cannot believe that Cesar Cals "invented" the figures he mentioned.

Another argument which could justify the implementation of the Brazilian nuclear program over the short term by building eight nuclear plants by 1990 could be invoking the need for thermal-generated electricity to complement the overall system or the lack of a hydroelectric potential capable of meeting the growing internal demand for energy. But studies made by ELETROBRAS, which were partially published in O ESTADO last Sunday and which are approved by the mines and energy minister, attest to the existence of hydroelectric potential of roughly 200 million kilowatts, of which only 25 million are being tapped today. [paragraph continues]

Without including the state of Amazonas, that potential would be sufficient to meet the internal demand of energy at highly compensatory prices until the year of 2005 at least! And if there is indeed a need to complement it with thermal-generated electricity, it can easily be obtained through conventional thermal plants fueled with coal from deposits in the southern region of the country which practically have not been utilized considering that only 1 million kilowatts are so produced out of a potential for 25 million. Therefore the alleged need for thermal-generated electricity to complement the country's supply system as an argument in favor of the Brazilian-FRG nuclear program is economically unviable and technically objectionable because the nuclear plants are not only expensive but were not designed for "peak operation," i.e., for operation during hours of greatest demand.

All these facts demonstrate the government's lack of a sense of direction regarding the country's nuclear program, a program whose inconsistency is obvious when viewed through the prism of objectivity and good sense. As a responsible nation, obviously we cannot simply renounce it; but, as an adult and developed country, we should at least review and renegotiate its execution in order to reduce as much as possible the ruinous burden it will otherwise impose on the nation's economy.

FRANCE MAY PLAY ROLE IN NUCLEAR PROJECTS

PY162306 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 May 79 p 5 PY

[Excerpt] Brasilia--Luis Gonzaga do Nacimento e Silva, the new Brazilian ambassador to Paris, stated yesterday that France may perform an extremely important supplementary role to the Brazilian-FRG nuclear agreement by supplying certain items of the technological cycle which are not included in the agreement. He made this statement on leaving the office of Foreign Minister Saraiva Guerreiro.

He said: "For instance, this is the case of the uranium hexafluoride technology and experimental techniques with 'fast breeders.'" He said that French-Brazilian relations are quite good and that his mission will be to intensify these relations, especially in the economic field.

NUCLEBRAS TO CENTRALIZE NUCLEAR CONSTRUCTION SERVICES

PY162136 Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 May 79 p 29 PY

[Text] Beginning now, NUCLEBRAS [Brazilian Nuclear Corporations] will centralize all services related to the preparation of projects, civil construction, the supply of equipment and the installation of nuclear plants. This measure is included in one of the articles of guidelines which president Figueiredo proposed to the Mines and Energy Ministry and which were published yesterday.

President Figueiredo also established that electricity concessionaires must be prepared for the operation and maintenance of these plants in addition to their participation in construction and assembly. But even long before the establishment of these guidelines, NUCLEN [NUCLEBRAS Engineering, inc.], a NUCLEBRAS subsidiary, has already been charged with preparing the engineering project for nuclear plants, beginning with Angra Two.

In this manner, the National Nuclear Energy Commission (CNEN) which, by law, has had a monopoly on these services, will be charged only with the licensing and security of nuclear plants. CNEN and NUCLEBRAS have been fighting a discreet battle for about 5 months because both companies wanted to centralize all services. CNEN wanted the concessionaires to continue their active participation in the preparation of projects and the construction of nuclear plants subject to supervision, while NUCLEBRAS viewed this as a dispersal of financial and human resources. NUCLEBRAS won.

In his guidelines, President Figueiredo also established that electricity be distributed to the consumer only at costs equivalent to the substitutive conventional solution [solucao convencional substitutiva] and that the remaining parcel be channeled to a "fund for technology transfer" to be created with resources other than the electricity sector.

In the petroleum sector, President Figueiredo wants Minister Cesar Cals to place more emphasis in the PETROBRAS budget on the item "exploration and development of petroleum production," and to stimulate national private companies to participate in petroleum extracting and research programs. One of the main goals established by the Figueiredo government for the Mines and Energy Ministry is the substitution of fuel oil with the direct use of coal and/or by gasified or liquified coal.

In agreement with the Transport, Industry and Commerce and the Agriculture ministries, the Mines and Energy Ministry will study and propose measures aimed at substituting gasoline with a mixture of alcohol and gasoline and hydrous alcohol, financially motivating collective transportation companies to adopt alcohol-driven engines, and promoting the research and use of methyl alcohol.

For the mining sector, the president established that mineral research, exploration and production will be motivated in compliance with national security requirements and with the necessary safeguards to protect this sector from predatory exploration.

IRAQI VICE PRESIDENT DENIES OIL PRICE HIKE SOUGHT

FY161427 Porto Alegre Radio Gaucha in Portuguese 1130 GMT 16 May 79 FY

[Text] I did not bring any proposal to Brazil to readjust the price of petroleum sold by our country.

This statement was made by Iraqi Vice President Taha Ma'ruf, who added that he was quite surprised by some news reports published by Brazilian newspapers. The vice president also denied that his country intends to increase petroleum supply to Brazil.

Taha Ma'ruf also said that the delegation he is heading had come to Brazil to discuss common bilateral problems, and the percentage of petroleum supply and price readjustment are not included.

Ma'ruf Dinner

PY161306 Rio de Janeiro O GLOBO in Portuguese 15 May 79 p 20 PY

[Text] Brasilia--Greeting Iraqi Vice President Taha Ma'fur at a dinner given to the delegation of that country in Itamaraty last night, Brasilian Vice President Aureliano Chaves stated: "Brazil wants to see the Middle East enjoying peace based on the recognition of the Palestine people's legitimate right to self-determination and independence, on the withdrawal from Arab territories occupied by force, and on the security of all the states in that region."

According to Chaves, "Brazil watches the evolution of the situation in the Middle East attentively and carefully and will not hesitate in firmly raising its voice and giving its vote when necessary to decide questions which legitimately concern the international community. Iraq plays a very important role in the Middle East and in the Islamic world, and so its views have to be taken into consideration."

The economic relation between the two countries was also mentioned by Vice President Chaves in his speech, recalling that Iraq is today Brazil's best customer in the Arab world and one of its 10 largest trade partners.

The question of trade protectionism was also referred to in the speech of the Brazilian vice president, who noted the solidarity of Brazil and Iraq at international forums in defense of the tenets and principles defined in the UN Charter and in search for a more equitative and just international economic order.

Before the dinner, the Iraqi delegation participated in a short ceremony in which the Great Cross of the Cruzeiro do Sul Order was awarded to Vice President Taha Ma'ruf, Foreign Affairs Minister Sa'dun Hammadi and Information Minister Sa'd Hammudi.

SAO PAULO DOPS AGENTS OCCUPY NEWSPAPER OFFICE

PY161430 Porto Alegre Radio Gaucha in Portuguese 1130 GMT 16 May 79 PY

[Text] Three officers and seven agents of the Sao Paulo DOPS [Department of Political and Social Order] have occupied the editorial and administration offices of the newspaper VERSUS in Sao Paulo. They explained, however, that there is no political or ideological reason for this action, but that they are only investigating the newspaper's financial problems and that they intend to seize 630 of the company's documents.

STATE EMPLOYEES END STRIKE IN SAO PAULO

PY170334 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 May 79 p 1 PY

[Text] Teachers of the Sao Paulo state educational system, employees and professors of Sao Paulo University, municipal employees, doctors and employees of Sao Paulo clinic and public servant hospitals, decided yesterday to end their strike and to return to work today.

Teachers of Campinas State University also decided to end the strike but called a public rally for today at 1800 and created a command to conduct the campaign to obtain a wage increase. The state employees' decision to end the strike is related to a proposal Governor Paulo Samim Maluf will submit tomorrow to the legislative assembly offering a bonus payment of 2,000 cruzeiros effective 1 March and an initial 20 percent increase divided into four installments.

MOVEMENT SUPPORTING DETAINED STUDENTS GROWS

PY160306 Buenos Aires LATIN in Spanish 1811 GMT 15 May 79 PY

[Text] Santiago, Chile, 15 May (LATIN)--Student committees from the country's most important college, the University of Chile, today declared a strike for Thursday to support several classmates who are under arrest and facing trial for street incidents which took place here on 1 May. The movement is also expressing its solidarity with the 87 students from the theology college of the Catholic University who were suspended last week for 6 months as a result of a strike they held to support their arrested colleagues.

The head of the University of Chile also ordered sanctions against student leaders for staging a strike last week by expelling 1 student and suspending 17 for periods ranging between 32 days and 3 semesters.

During the 1 May incidents, while commemorating International Labor Day, 17 students from the University of Chile, the Catholic University and the state technical university were arrested. They remain under arrest and will face trials by civilian and military courts on charges of violating the state security law. The student committees which called for the strikes are informal organizations which operate outside the student centers recognized by the authorities of the Chilean university, which groups together 54,000 students throughout the country.

According to reports made by spokesmen for the committees to the press, so far the movement has been joined by students from the schools of philosophy and arts, sociology, literature, linguistics, social work, economy, law and engineering. The democratic students center of the Catholic University has announced that it will join the strike announced for Thursday. In addition, students from the workshops of the state technical university will stage a hunger strike on that day, their leaders reported.

However, the students center of the human sciences college of the University of Chile has opposed the movement because, according to its president, Luis Valdes, "it will not take part in any slowdown or stoppage of operations by a small minority of the student body which does not contribute to good academic performance by students in university classes."

GOVERNMENT WARNS STUDENTS AGAINST DISORDERS

PY161344 Buenos Aires LATIN in Spanish 2348 GMT 15 May 79 PY

[Text] Santiago, Chile, 15 May (LATIN)--The military government of Chile today warned university students that there "is no sanctuary [extraterritorialidad]" in universities, and that security forces (Carabineros) may enter their grounds if crimes are being committed there.

The statement was made by Interior Minister Sergio Fernandez in answer to journalists' questions about a student strike announced and planned for Thursday at the University of Chile to support those arrested during the incidents which took place here on 1 May.

"We have always asserted that there is no sanctuary in universities when crimes are being committed there," Fernandez asserted. He recalled that rectors have the powers necessary to confront any situation.

The government did not authorize a group of union leaders to hold a public rally on 1 May to commemorate International Labor Day because it believed they were actually political groups which distorted the spirit of the new labor institutionality.

Despite the prohibition, hundreds of persons, including young students, met in the streets of Santiago and were repressed by the police. More than 300 demonstrators were arrested and imprisoned. The government brought suits against the detainees who are accused of violating the state security law.

Meanwhile, the military courts initiated action for "aggression against the police." After interrogating the prisoners, the judge handling the case ordered the release of some of them for "lack of evidence," but ordered the continued imprisonment of more than 40. Among these are some students of the University of Chile and the catholic university. Their classmates have since then been staging a series of acts to support their colleagues. These are the reasons for which the students of the University of Chile called a strike for Thursday.

Moreover, the military government asserted that it will not change its determination not to allow any type of assault against its authority and will punish those responsible for any sort of disorder for the good of public order and the country's peace. The interior minister stated today that if any abusive acts take place within any university, the police will enter the grounds.

RELEASE OF 39 MAY DAY PRISONERS ORDERED

PY170102 Santiago Chile Domestic Service in Spanish 0000 GMT 17 May 79 PY

[Summary] The fifth court of appeals of Santiago today ordered the release of 39 persons--13 women and 26 men--who were charged with violating the state internal security law through their involvement in the 1 May incidents. The appeals court thus reversed the ruling of the trial judge.

BRIEFS

IMPORT, EXPORT FIGURES--According to a central bank report, imports increased 49.1 percent during the first 3 months of 1979 as compared with figures for the same period in 1978. Exports increased 34.1 percent during the same period. Total imports during this period amounted to $795 million and exports amounted to $749 million. Traditional exports increased by 33.1 percent and nontraditional exports by 34.1 percent. The largest purchaser of Chilean goods is the FRG, followed by Japan and the United States. [Santiago Chile Domestic Service in Spanish 1100 GMT 15 May 79 PY]

FOREIGN INVESTMENTS APPROVED--(Juan Ramon Samaniego), executive secretary of the Committee for Foriegn Investments has reported that foreign investments grew 30 percent this year. He indicated that yesterday this organization approved foreign investments for $37 million representing 14 new projects and 3 expansions of prior foreign investments. He said that approved foreign investments for this year amount to $73 million invested in 43 projects. [Santiago Chile Domestic Service in Spanish 1100 GMT 16 May 79 PY]

EQUATORIAL COMMUNICATIONS SOVEREIGNTY DEFENDED

PA170129 Madrid EFE in Spanish 0446 GMT 16 May 79 PA

[Text] Bogota, 15 May (EFE)--Colombia assumed today the defense of the sovereignty of the equatorial countries over the geostationary orbit and warned that "this is a battle of the [words indistinct] nations. Communications Minister Arias Carrizosa said that "the powerful nations are always in the process of reducing or interpreting to their advantage the exact definition of our rights."

Speaking at the inauguration of the Colombian-Ecuadorean communications linkup, he said that Colombia will launch a satellite in 1982 in order to integrate the country with the rest of the world in communications matters. He also said that this satellite system will determine "the strengthening and materialization of Colombia's international juridical attitude." Arias said that the geostationary satellite will serve to strengthen American unity in many fields and in several latitudes, especially with those who "are so close to us not only geographically, but also because of our mutual feelings."

Meanwhile, Guillermo Sagra Serrano, president of the National Telecommunications Enterprise, said that in the near future Colombia will integrate its microwave system with that of its neighboring countries. "We are already integrated with Venezuela and Ecuador and now we intend to integrate with Peru, Bolivia and Panama," the Colombian official said.

TURBAY CONSIDERING AMNESTY FOR GUERRILLAS

PA170308 Buenos Aires LATIN in Spanish 0005 GMT 17 May 79 PA

[Text] Bogota, 16 May (LATIN)--The Colombian Government is considering the possibility of decreeing amnesty so that the procommunist guerrillas can turn themselves in, President Julio Cesar Turbay Ayala said here today. Turbay met newsmen this afternoon during the ceremony in which he approved several laws passed by congress [words indistinct] National Liberation Army (ELN), pro-Cuban, that 20 of its members are going to surrender to the army.

The announcement was made yesterday in Bucaramanga, about 300 km northwest of here near the border with Venezuela. An ELN communique, which calls the alleged deserters traitors, reports the 20 guerrillas' surrender. Turbay said that he is considering an eventual amnesty as long as it "contributes to the pacification of the country." He added that "of course, all the people who surrender will be respected, along with all their legal rights, and they will have nothing to fear."

20 ELN GUERRILLAS NEGOTIATING THEIR SURRENDER

PA170046 Paris AFP in Spanish 1549 GMT 16 May 79 PA

[Text] Bucaramanga, Colombia, 16 May (AFP)--Twenty guerrillas of the pro-Castroite National Liberation Army (ELN) will surrender to Colombian military authorities, according to a clandestine bulletin distributed by that organization here today. The bulletin brands the guerrillas who have expressed their intention to surrender as "traitors" and notes that the ELN will continue its fighting from the mountains.

Military spokesmen in Bogota admitted negotiations are underway for the surrender of the 20 guerrillas led by Luis Ropero "Mario" but refused to reveal the date and place it will take place. The ELN, founded in the 1950's in Colombia, has always operated in the rural areas of the eastern province of Santander, whose capital is Bucaramanga, although it has also carried out some urban attacks.

LE MONDE INTERVIEW WITH NAVY COMMANDER REPORTED

PY160311 Paris AFP in Spanish 1703 GMT 15 May 79 PY

[Text] Paris, 15 May (AFP)--In remarks made to the Parisian newspaper LE MONDE, Adm Hugo Marques, a member of the Uruguayan junta of armed forces commanders, has stated that the Uruguayan Armed Forces will hand over all power to civilians in 1981.

"Members of the military will not be able to vote or become candidates unless they leave the armed forces," and "political parties will be able to conduct campaigns," the admiral said. However, he said he opposes the participation of extreme left forces in the elections.

Marques, who was on a brief visit to Paris after visiting the port of Cherbourg where three coast guard boats are being built for Uruguay by a French firm, tried to explain the Uruguayan political situation.

He stated: "The civilian government was not able to confront a new-style insurrection such as the one by the Tupamaros, which used armed assault, killed policemen to seize their weapons, robbed taxi drivers and kidnapped ambassadors, judges, industrial leaders, businessmen...

"Degenerate politicians revealed their impotence. Strikes paralyzed the country. It was the civilians themselves who called for the strict security measures and the internal state of war."

In order to explain why, after the victory over the Tupamaros in 1973, political prisoners remain in jail 6 or 7 years without being handed over to the disposition of the judicial branch, the admiral argued, according to LE MONDE, that civilian judges were unable to fulfill their duties and that the military judges who replaced them number fewer than ten, with more than 4,000 cases to decide.

With regard to torture, Marques made what LE MONDE considers a "terrible remark:" "It is not true, as our enemies say, that everybody has been tortured." He even asserted that sanctions had been ordered against tortures, but he did not mention specific names or cases. Torture, he added, is "an outburst, a human passion." However, the Parisian paper countered with testimonies by Uruguayan prisoners who say, on the contrary, that torture is a systematic practice and not at all "passionate."

The admiral concluded by exalting the economic progress achieved by the civilian-military regime. "In 1973, inflation fluctuated between 180 and 200 percent and the deficit was 27 percent of the budget. No country was willing to risk lending money to Uruguay...now, on the other hand, inflation is about 35 percent and the budget is balanced."

BRIEFS

FOREIGN MISSIONS VISITING--Polish, Hungarian and French delegations are currently in Uruguay seeking to increase bilateral trade. The Polish mission has closed a deal to purchase 500,000 cases of oranges. The French delegation is made up of industrialists who are trying to sell equipment for the Salto Grande dam and provide know-how and technology. Meanwhile a Hungarian mission is negotiating a purchase of shoes for $500,000 to $700,000. [Montevideo EL ESPECTADOR Network in Spanish 1500 GMT 14 May 79 PY]

FRG VICE MINISTER ARRIVES FOR 2-DAY VISIT

PA170214 Paris AFP in Spanish 0042 GMT 17 May 79 PA

[Text] Caracas, 16 May (AFP)--FRG Vice Foreign Minister Peter Hermes arrived here today from Mexico for an official 2-day visit to Venezuela. Hermes will meet with Venezuelan President Luis Herrera Campins, high-ranking government officials and representatives of the private sector. His agenda includes meetings tomorrow with the Development Minister Manuel Quijada, acting Energy Minister Jose Moreno Leon and Foreign Minister Jose Zambrano Velasco.

He will meet with President Herrera at Miraflores Palace. At noon tomorrow he will attend a luncheon of the Venezuelan-German chamber which is celebrating its 25th anniversary. He will deliver a lecture on the FRG's economic relations with Latin America. On Friday he will travel to Maracaibo, in western Venezuela, to visit petroleum installations. He will then travel to Manila to attend the fifth UNCTAD meeting being held there.

RELATIONS WITH GUYANA TERMED 'VERY GOOD'

PA170207 Caracas Radio Continente Network in Spanish 2050 GMT 16 May 79 PA

[Text] The state of the relations between Guyana and Venezuela has been examined during a meeting between Foreign Minister Jose Alberto Zambrano Velasco and the Congressional Foreign Affairs Committee. After the meeting, Senator Edecio La Riva Aroujo said that the relations between Guyana and Venezuela are very good. The Port of Spain protocol which froze until 1982 the discussion of the ownership of the territory of Essequibo remains in force.

12 CUBANS NOT YET GRANTED ASYLUM

PA161410 Caracas VENPRES Diplomatic Information Service in Spanish 0739 GMT 16 May 79 PA

[Text] Caracas, 15 May (VENPRES)--High-level diplomatic sources confirmed today that Venezuela has not granted political asylum to 12 Cuban citizens staying in the Venezuelan Embassy. The sources said that the situation that evolved when the 12 Cubans abruptly entered the embassy at dawn on Saturday aboard a bus is still under careful and detailed analysis by national authorities. An important diplomatic source told VENPRES that the entire incident and the circumstances surrounding it are being studied. The source did not want to expand on this comment, but other diplomats noted that the incident could have implications that could go beyond normal motivations that result in asylum requests.

The sources emphasized that the report published by a Caracas newspaper of national importance that Venezuela has granted asylum to the 12 Cubans is incorrect. VENPRES was able to establish, based on information from high-level diplomatic sources, that the situation of the 12 Cubans in the Venezuelan Embassy will be resolved in due time. The national government will not let itself be pressured by artificial situations and will investigate the case properly, the source said. The source added that there is suspicion that the incident in the embassy was provoked and this must be satisfactorily investigated.

Diplomatic sources in Havana today told VENPRES that the Cuban Government and the Venezuelan Embassy are unaware of any decision to grant asylum to the 12 persons in the Venezuelan Embassy. It is believed that the Cuban Government is prepared and willing to grant them safe-conducts, but no decision has been made on this case yet, a diplomatic source in Caracas stated.

CUBAN ENVOY ON CASTRO-LOPEZ PORTILLO TALKS

PA170338 Paris AFP in Spanish 0124 GMT 17 May 79 PA

[Text] Mexico City, 16 May (AFP)--Cuban Ambassador to Mexico Fernando Lopez Muino denied today that the meeting between the leaders of Cuba and Mexico on 17 and 18 May will be held to discuss subjects related to technology, fishing or oil. Lopez said that the meeting will be "just an encounter between the rulers of two friendly countries for the purpose of strengthening the existing relations between the two nations." Fidel Castro and Jose Lopez Portillo will meet on the tourist island of Cozumel in the Caribbean Sea.

Comments From Mexican Leaders

PA170427 Havana International Service in Spanish 0000 GMT 17 May 79 PA

[Excerpt] Deputies and leaders of various Mexican political parties emphasized the importance of the visit starting tomorrow, Thursday, to this country by Cuban Chief of State Fidel Castro in reply to an invitation made by Mexican President Jose Lopez Portillo, with whom Castro will hold official talks.

Antonio Tenorio Adames, deputy for the incumbent Mexican Institutional Revolutionary Party, said that he was confident Fidel Castro's trip to the Mexican island of Cozumel and the interview he will hold there with Jose Lopez Portillo will help to achieve Caribbean economic integration.

Meanwhile, President of the Mexican Senate Joaquin Gamboa Pascoe said that Castro's visit to Mexico is an historic event and is in accordance with the good relations which have always existed between the two countries.

Pablo Gomez, leader of the Mexican Communist Party, said that Castro's visit to Mexico is a very important step in the political and international life of Benito Juarez' country. He also said that he hopes it will help to strengthen the ties of cooperation and bilateral trade.

THREE GOVERNMENT SECRETARIES RESIGN POSTS

PA170247 Paris AFP in Spanish 0235 GMT 17 May 79 PA

[Text] Mexico City, 16 May (AFP--The Government (Interior), Foreign Relations and Programming and Budget Secretaries of President Lopez Portillo's administration resigned today.

President Announces Replacements

PA170416 Buenos Aires LATIN in Spanish 0402 GMT 17 May 79 PA

[Text] Mexico City, 16 May (LATIN)--President Jose Lopez Portillo appointed three new cabinet secretaries (ministers) today following impromptu resignations by Foreign Secretary Santiago Roel, Government Secretary Jesus Reyes Heroles and Programming and Budget Secretary Ricardo Garcia Sainz tonight.

In a brief press bulletin, the presidential press office reported that Jorge Castaneda will be foreign secretary, Enrique Olivares Santana will be government secretary and Miguel de la Madrid will be programming and budget secretary. The bulletin explained that the three ministers' resignations were tendered to President Lopez Portillo tonight and he accepted them for the sake of better serving the nation. It was explained that the resignations were prompted by personal reasons.

COSTA RICA

NICARAGUANS IN IMF OCCUPATION TURNED OVER TO COURTS

PA170133 San Jose Radio Reloj in Spanish 0000 GMT 17 May 79 PA

[Text] Juan Jose Echeverria, government and public security minister, has announced that the 13 [as heard] Nicaraguan citizens who occupied the IMF offices today as an expression of protest have been placed at the orders of the judicial branch. He added that the type of action carried out by the group of foreigners forces his ministry to turn over the demonstrators to the courts of justice. A few weeks ago, as a result of similar actions in the community of Tirrases, Echeverria stated that the perpetrators of any similar situation would be placed at the orders of the courts since those actions of force could not be permitted.

FSLN COMMANDER BRIEFLY DETAINED IN SAN JOSE

PA170130 San Jose Radio Reloj in Spanish 0000 GMT 17 May 79 PA

[Text] This afternoon, the Judicial Investigation Organization detained Commander Leonel Cabezas of the Sandinist National Liberation Front. The guerrilla was traveling with six other companions when the incident occurred at the corner of the land registry office. They were subsequently released. They protested the incident to Radio Reloj, indicating that their papers were in order.

BRIEFS

GASOHOL PROJECT--Two engineers previously connected with the project to mix gasoline with alcohol for use in automobiles have reported that the project is 1 year behind schedule. They cite delays in the planting of sugar cane and a lack of qualified technical personnel as some of the causes of the delay. [San Jose LA NACION in Spanish 9 May 79 p 4-A PA]

EL SALVADOR

STATUS OF EMBASSY SEIZURES; NO ABATEMENT IN VIOLENCE

Venezuelans Ready To Negotiate

PA161846 Panama City ACAN in Spanish 1700 GMT 16 May 79 PA

[Excerpts] San Salvador, 16 May (ACAN-EFE)--The Venezuelan Embassy in El Salvador announced today, Wednesday, that it is prepared to negotiate with the "leftist" People's Revolutionary Bloc (BPR) to have the group, which is occupying the embassy, evacuate the premises. Ambassador Santiago Ochoa Antich, who has been inside the embassy along with seven other hostages since 11 May, announced to the BPR that this afternoon special Venezuelan envoy Regulo Velasco will go to the offices of the General Association of Salvadoran University Students (AGEUS) to talk with top BPR leaders.

Since the beginning of this week French Government envoy Philipe Cuviller has been talking with the leftists in an attempt to persuade the BPR members to evacuate the French diplomatic mission in San Salvador. A government spokesman told ACAN-EFE this morning that full facilities are being provided to the negotiators for them to carry out their tasks. The spokesman added that to his knowledge the situation remains unchanged. He said that "this extermination of brothers cannot continue in El Salvador." The spokesman said that the Salvadoran Government is very concerned over the situation in the French and Venezuelan Embassies.

Salvadoran Foreign Minister Jose Antonio Rodriguez Porth today asked newsmen, sent by their respective agencies and other information media, to cover the violence in this country, to avoid speculation and to give credit to reports obtained from responsible sources in order to avoid playing the game of the groups that want to tarnish the country's image abroad. Newsmen have been received by Col Rafael Flores Lima, information secretary of the presidency of the republic, and have been given broad permission to travel throughout the country.

Possibility of Coup Reported

PA151938 Panama City ACAN in Spanish 1654 GMT 15 May 79 PA

[Text] San Jose, 15 May (ACAN-EFE)--Defeated Salvadoran presidential candidate Col Ernesto Claramount (ret) believes that a coup is the only viable solution to El Salvador's current political crisis. His statements were published today by the local newspaper LA NACION. Claramount, who has been exiled in Costa Rica for the past 2 years and who claims that current President Gen Carlos Humberto Romero seized his electoral victory from him, says that a group of his country's military "might give the people the opportunity to regain their rights."

Another possibility, which he regarded as hardly feasible, was that General Romero's government might initiate a real and positive democratic opening by initiating a dialog with political parties--"which he himself has eliminated"--unions and the people. Claramount also warned that a coup might be staged, "but power would be seized by those who are controlled by the economically powerful class, which would not resolve anything."

Should none of the above possibilities actually occur, the alternative would be a popular insurrection. "But that," he said, "would lead people to their self-destruction." He then recalled that when he arrived in Costa Rica in May 1977 he had warned that the nonrecognition of his electoral victory would lead to violence in El Salvador, as is currently the case. According to Claramount, he can return to his country, but only under the conditions established by the current government. "In order to be able to return to my fatherland, I must promise to arrive without ostentation, that I will not participate in politics and that I will accept--if General Romero consents to this--an embassy post," he commented. "That would be equivalent to betraying my people and I shall never accept that," he added.

Blaming the "nouveau riche" for this situation, Claramount summarized his country's political situation by indicating that there are three forces--the rightwing, the leftwing and in the middle, the people, who do not want violence. Regarding the "nouveau riche," he said "they have not wanted to understand that in order to continue living peacefully they must sacrifice part of the large earnings they have accumulated with the people's sweat." He added that he wanted to explain this situation "before the wealthy had to live behind thick walls, protected by bodyguards or even living abroad."

He then charged that a paramilitary organization similar to the Gestapo of Nazi Germany, the Nationalist Democratic Organization (ORDEN), operates in El Salvador. The armed forces are under constant pressure and vigilance, he claimed. He also denounced the existence of a "red code" which "speaks constantly about the death penalty." Many lawyers cooperate in implementing it unmercifully if an officer does not shoot at his brethren, he added. Claramount, who today lives on the outskirts of San Jose where he owns a small farm, blamed General Romero's government for fomenting violence and claimed that, according to information he has received, during the 2 years of Romero's administration some $800 million have been taken out of the country.

Women's March; Schools, Shops Close

PA152021 Panama City ACAN in Spanish 1750 GMT 15 May 79 PA

[Excerpts] San Salvador, 15 May (ACAN-EFE)--Most schools in San Salvador closed again today, Tuesday, upon learning of an upcoming women's demonstration to protest the violent incidents of 8 May which left over 20 dead and approximately 40 wounded. The female militants of the leftist People's Revolutionary Bloc (BPR) are also supporting their organization's demands for the release of three of its leaders, whom police deny are in prison.

The city appears quiet although downtown stores have closed their doors in case of incidents. Guards and police agents have been posted in front of the cathedral to guard the National Palace. Nervous tension fills the air. A student who was interviewed on the street said he had not been able to take his examinations due to the serious situation in the country. Housewives are purchasing large amounts of food, both because there could be a shortage and also because tradesmen are increasing prices throughout the country.

Archbishop Request for Cooperation

PA160324 Panama City ACAN in Spanish 0028 GMT 16 May 79 PA

[Excerpts] San Salvador, 15 May (ACAN-EFE)--San Salvador Archbishop Msgr Oscar Arnulfo Romero today called on all national sectors to help in getting out of the crisis which is being experienced here. He said that if the government obstinately insists on not admitting their abuse of power, he suggests to the BPR that it set a short deadline in which to end the dispute. The archbishop said that the bloc has achieved the goals it set out to achieve by organizing the pressure campaign.

He asked the special envoys of the Venezuelan and French administrations to hold direct talks with the BPR negotiating commission. He explained that the archbishopric has been offered as the site of the talks between the negotiating commission and the special envoys. Romero also noted that he has offered to serve as a mediator if the two parties ask him.

BPR Rejects Archbishop's Offer

PA162008 Buenos Aires LATIN in Spanish 1844 GMT 16 May 79 PA

[Excerpt] San Salvador, 16 May (LATIN)--The leftist People's Revolutionary Bloc (BPR) today rejected an offer by San Salvador Archbishop Oscar Arnulfo Romero to mediate an end to the occupation of the French and Venezuelan embassies here. In phone calls to local information media the bloc thanked the prelate for his offer and added that direct negotiations to end the occupations are being conducted with special envoys from France and Venezuela.

Seizure of Another Church

PA170027 Panama City ACAN in Spanish 2350 GMT 16 May 79 PA

[Excerpt] San Salvador, 16 May (ACAN-EFE)--This afternoon members of the People's Revolutionary Bloc occupied the Maria Auxiliadora church, known as "Don Rua," located in the northern part of this capital, demanding the release of three of its leaders. The government, which has arraigned two of the five prisoners originally demanded by the BPR before the civil courts, has repeatedly said that the others are not being held by any of the security corps.

Death Toll Mounts

PA162146 Panama City ACAN in Spanish 0516 GMT 16 May 79 PA

[Text] San Salvador, 16 May (ACAN-EFE)--The Farabundo Marti Popular Liberation Forces (FPL) today claimed credit for the killing of revenue policemen Carlos Soriano and Evelio Fuentes on Tuesday night near the University of El Salvador. A third policeman, Benjamin Fabio Ayala, is seriously wounded and it is feared that he will die in the next few hours.

According to a communique the FPL sent today to the news media in this capital, the operation was carried out by "a revolutionary guerrilla squad" that engaged in a shootout with "two revenue policemen." It adds that the clash lasted a few minutes and that several national policemen, revenue policemen and national guardsmen who were on guard duty at the U.S. Embassy and other places nearby evaded the clash. This allowed the attackers to withdraw unharmed from the area.

The FPL adds that the attack against the police was aimed at condemning "all types of repression and demanding the release of all of the people's prisoners," to reaffirm its decision to wage a prolonged people's war and to directly administer justice to those it regards as torturers and killers of humble and helpless people. [Panama City ACAN in Spanish at 1855 GMT on 16 May reports the death of three more Salvadorans in violence in San Miguel and Santa Helena. Paris AFP in Spanish at 0253 GMT on 16 May reports the death of two revenue policemen in San Salvador in an armed clash with FPL guerrillas inside the South African Embassy building. Panama City ACAN in Spanish at 0035 GMT on 16 May reports that unidentified persons "assassinated" a revenue policeman near the University of El Salvador. [Panama City ACAN in Spanish at 1855 GMT on 15 May reports revenue police killed two unidentified civilians in Limon Canton who were reported to be "engaged in extremist activities".]

GUATEMALA

REJECTION OF U.S. ECONOMIC AID CONFIRMED

PA162224 Panama City ACAN in Spanish 1959 GMT 16 May 79 PA

[Text] Guatemala City, 16 May (ACAN-EFE)--Guatemalan Foreign Minister Rafael Castillo Valdez confirmed today that Guatemala has declined the economic aid it received from the U.S. Government. Castillo Valdez made known the decision to U.S. Secretary of State Cyrus Vance during a meeting they held in Washington last week. The Guatemalan Government headed by Gen Romeo Lucas decided to turn down the U.S. economic aid after U.S. legislators asked President Jimmy Carter to suspend it, citing violations of human rights here. Castillo Valdez said today that Guatemala will substitute the U.S. economic aid with aid programs of other friendly countries. The foreign minister noted that in 1977 Guatemala declined in a similar manner the U.S. Government's military aid.

Regarding the U.S. economic aid program, Castillo Valdez stressed that a great part of it is used for administrative and bureaucratic expenditures and benefits for U.S. personnel to whom the Guatemalan Government grants privileges which involve fiscal sacrifices that directly affect the local population. The Guatemalan foreign minister indicated that during his visit to Washington, he exchanged views with Vance and with U.S. National Security Adviser Zbigniew Brzezinski, with whom he discussed human rights, the economy, violence and foreign policy. Castillo Valdez said that he told the U.S. officials that Guatemala wanted to know if the U.S. Government's human rights policy is a tool with local political objectives or if it is a universal policy to benefit humanity. The foreign minister said that Vance assured him that the Carter government's human rights policy is not a matter of local politics but a universal policy of the United States which seeks to express to the world the concept of human rights established in the U.S. Constitution.

VIOLENCE CLAIMS NEW VICTIMS IN COUNTRY

PA160249 Panama City ACAN in Spanish 2356 GMT 15 May 79 PA

[Excerpts] Guatemala City, 15 May (ACAN-EFE)--The national police reported today that the political and common criminal violence in Guatemala has claimed three new victims. The deaths occurred in an area near Amatitlan Lake, 18 km south of Guatemala City, where a university student and two unidentified youths (a man and a woman) were shot to death.

Violence also continued in the agricultural sector, where the peasants have been waging a struggle for ownership of their land for more than 8 years. There is now fear that there will be a confrontation among 17 agrarian communities of Alta Verapaz, in northern Guatemala, where the police and army have mobilized to prevent armed actions. The peasants are demanding that the National Agrarian Transformation Institute turn over the title deeds of lands which were expropriated from private individuals or were parceled off from state properties. The list of victims during the past few hours includes a mother and daughter who were carried away by a sewage stream which had risen due to recent rains and two men run over by a train when they crossed the railroad tracks.

NEW GASOLINE PRICES ANNOUNCED; 21 PERCENT INCREASE

PA161255 Paris AFP in Spanish 1451 GMT 16 May 79 PA

[Text] Guatemala City, 15 May (AFP)--Jorge Luiz Monzon, secretary general of mining, hydrocarbons and nuclear energy, announced today at a news conference that new gasoline prices, which have been increased by an average 21 percent, will be enforced tomorrow. The price of premium gasoline (95 octane) has been increased by 20 percent and it will now cost $1.51 per gallon. The price of regular gasoline (87 octane) has been raised by 22 percent and it will now sell for $1.02 a gallon. The prices of diesel oil and kerosene are unchanged.

BRIEFS

SCIENTIFIC COOPERATION AGREEMENT--The Guatemalan and Chilean governments have signed a scientific and technical cooperation agreement. The document was signed as a means of strengthening the traditional ties of friendship between the two countries and of stimulating research in this area. [Guatemala City DIARIO DE CENTRO AMERICA in Spanish May 79 p 10 PA]

HONDURAS

GOVERNMENT CALLS FOR NATIONAL DIALOG

PA162132 Panama City ACAN in Spanish 1827 GMT 16 May 79 PA

[Text] Tegucigalpa 16 May (ACAN-EFE)--Gen Policarpo Paz Garcia, chief of the Honduran Government junta, proposed a great national dialog yesterday in Choloma, a northern city where he inaugurated an industrial plant. "The military government junta is willing to meet with the national sectors as often as necessary in order to seek the Honduran people's welfare," General Paz Garcia said.

He added that he is willing to listen and to accept blame for any mistake pointed out to him in well-meaning and reasonable criticism but warned that his appeal for dialog is aimed at responsible organizations rather than at those who pressure the government through demonstrations and demands that are not in keeping with the country's reality.

Referring to the recent demonstrations staged against the high cost of living, he said that the problem of inflation can be confronted through an "effort from all sectors involved in the country's development and by struggling to increase production and productivity." He added that all Hondurans must engage in a search for social peace "based on respect for all by all. That social peace represents a commitment to society as a whole and, to a certain extent, it also represents sacrifice, by pushing aside any interest in excessive profits."

SAN PEDRO SULA SHAKEN BY 'STRONG' QUAKE

PA160312 Panama City ACAN in Spanish 2315 GMT 15 May 79 PA

[Excerpt] San Pedro Sula, Honduras, 15 May (ACAN-EFE)--A strong earthquake shook this city in northern Honduras for 5 seconds at 1655 today. In spite of the short duration of the quake, the people left their homes and offices for open spaces in preparation for another quake. Due to the lack of seismological stations, the intensity of the quake is not known, although persons who have knowledge of such matters labeled it as very strong.

BRIEFS

NEW MONTHLY--Salvador Chinchilla Pinto is the president-editor and Jose Antonio Pineda Green is the director of a firm named "Creative Group" which recently started publishing a new magazine named CAMBIO. The first issue carried an exclusive interview with Gen Policarpo Paz Garcia, president of the governing military junta, and articles on the crisis in Nicaragua, the banana war, the sale of arms and cultural penetration through universities. [San Pedro Sula TIEMPO in Spanish 1 May 79 p 2 PA]

NICARAGUA

REPORT OF DISRUPTED TRADE WITH COSTA RICA DISMISSED

PA161515 Managua NOVEDADES in Spanish 8 May 79 pp 2, 18 PA

[Excerpts] Dr Carlos Moises Baltodano, vice minister of economy, industry and commerce who is in charge of integration affairs, has said in statements to NOVEDADES that the ministry has no official knowledge of information released by Costa Rican authorities stating that trade between the two nations has been interrupted because certain Nicaraguan industrialists owe a large sum of money to Costa Rican businessmen.

"The Costa Rican economy minister said, with a desire for publicity and without any basis, that Nicaraguan industrialists owe over $15 million to Costa Rican businessmen and are unable to pay because of the national economic crisis," Dr Baltodano said. In this regard, Dr Baltodano said that the Costa Rican economy minister made an unfounded and irresponsible statement since these matters, which are of great interest to Central America, should not be handled informally. "The problem mentioned by the Costa Rican minister exists between Costa Rican exporters and Nicaraguan importers and is a situation which should be handled through the proper channels," he added.

FSLN, NATIONAL GUARD CLASHES CONTINUE

PA170043 Paris AFP in Spanish 2304 GMT 16 May 79 PA

[Text] Managua, 16 May (AFP)--According to press reports, clashes between members of the Sandinist National Liberation Front (FSLN) and National Guard soldiers occurred in eight points of Nicaragua today. It has also been reported that 14 persons were killed in various areas of the country as a result of the reigning political violence.

It has been unofficially reported that armed civilians, presumably members of the FSLN, attacked the Nicaraguan post on the border with Honduras this afternoon. Press reports indicated that the post which was attacked is that of Guasule, 130 km northwest of Managua, which is one of the two that handle the transit of merchandise by land between Nicaragua and Honduras. The report has not yet been officially confirmed. The newspaper LA PRENSA, spokesman of the opposition, reported that fierce clashes continued at noon today between FSLN forces and the army near the city of Rama, in the Atlantic region in northeastern Nicaragua. It also reported that another guerrilla group clashed with the National Guard in the city of Wiwili, 30 km northeast of Managua.

The newspaper also reported that there was guerrilla activity today in the towns of Morrito and Juigalpa in southern and eastern Nicaragua. It has also been reported that seven persons have been killed in incidents between civilians and military patrols in Leon, 90 km west of Managua. In Leon, Ramiro Valladares, manager of the State Energy Enterprise, was killed when three men assaulted his office. A military patrol machinegunned three youths in their houses near Chinandega, 120 km west of Managua. In Managua, four persons were killed in incidents between civilians and soldiers. Since Saturday, 48 persons have been killed as a result of the political violence in the country.

FLSN ANNOUNCES WILLINGNESS TO NEGOTIATE PEACE

PA151745 San Jose Radio Reloj in Spanish 1100 GMT 15 May 79 PA

[Excerpt] The Sandinist National Liberation Front is willing to start negotiations with political sectors in Nicaragua which are fighting against Gen Anastasio Somoza's government to restore peace promptly and end the bloodbath. Tomas Borge said that they will not [word indistinct] weapons, but that they advocate a national government made up of all representative forces of the country which are fighting against Somoza's forces.

PRESIDENT CARTER ASKED TO PROTECT NICARAGUAN CHILDREN

PA160139 Panama City Televisora Nacional in Spanish 2315 GMT 15 May 79 PA

[Excerpts] Relatives of persons murdered by the Nicaraguan National Guard have asked U.S. President Jimmy Carter to protect the Nicaraguan children whom dictator Somoza's government is murdering every day. The appeal, made by members of the Chamorro Mora family, says that three 11-year-old boys and a 16-year-old girl were murdered by Somoza's soldiers during a house-to-house search in Managua. Mrs Carmen Chamorro de Gonzalez widow of an insurance salesman, and one of her sons have taken refuge in the Mexican Embassy in Managua. In a letter to the U.S. President, they asked him to instruct the U.S. State Department to protect the Nicaraguan children who, ironically, are murdered every day by Somoza during international children's year.

Nicaraguan military sources said that the members of the Chamorro family had been killed after they opened fire on the National Guard. Nevertheless, the relatives played a videotape yesterday showing the moment at which the five [as heard] were murdered at pointblank range. The videotape does not show the impact of bullets on the facade of the house and every person who is seen is inside the house. The relatives claim that the videotape is proof that there was no clash between the residents of the house and the National Guard but that the National Guard opened fire after they entered the house.

GRANMA PUBLISHES RESULTS OF EIGHTH PCC PLENUM

FL161218 Havana Domestic Service in Spanish 1045 GMT 16 May 79 FL

[Text] GRANMA today publishes the resolution drawn up at the eighth PCC Central Committee plenum on the state of fulfillment of tasks decided upon at the PCC first congress. The study made by the eighth plenum on fulfilling the agreements reached at the first congress permits a review of the achievements and an evaluation of the objective limitations and the subjective deficiencies which prevent the successful accomplishment of some of the goals. The resolution states that sugar production in the 1978 sugarcane harvest surpassed the figure of 7,300,000 tons of sugar at a 96 percent purity, which is an increase of over one million tons in comparison with what was achieved in 1975 [year as heard]. It adds that satisfactory advances have been made in building four new sugarcane mills and that by continuing at the present rate [of building] what has been scheduled for this 5-year-period will be completed. At the same time the resolution states that necessary measures must be taken to continue the investment program of building new sugarcane mills.

The PCC Central Committee's eighth plenum resolution points out that over these three years four bulk sugar erminals have been built, which should be completed with the dredging, warehouse and weighing station projects. It points out that over these years industrial investments were made a priority sector, and that despite the material limitations the activity has reached an average growth rate of more than 20 percent over this period.

Exports from fishing have achieved positive results during this period becoming the second most important sector producing freely convertible foreign currencies for the country. The document states that citrus production has shown an annual growth rate of 13 percent and that the program drawn up for 1979 and 1980 will permit the fulfillment of the first party congress directives. Tuber and egg production also increased, and the over achievement of potatoes is pointed out.

The resolution refers to the serious efforts made over these three years to reduce infant mortality, adding that a rate of 22.1 per 1,000 live births has been achieved. In the period 1976-80 work productivity has been increasing although over these three years there have been serious problems in applying the socialist distribution principle based on work. The plenum studied the negative situation faced by tobacco production, stressing the directives the Agriculture Ministry and small farmers should work for to improve the soils, irrigation and mechanization among other points.

Further Reportage

FL161258 Havana Domestic Service in Spanish 1100 GMG 16 May 79 FL

[Excerpts] The eighth plenum of the PCC Central Committee, which was held on 4 May studied the results the agreements of the first [PCC] congress over the period 1976-78. The resolution of the eighth PCC Central Committee plenum states that it is necessary to increase the struggle in what it called crime against property, mainly robberies.

In regard to trade union work, which should be carried out more energetically and with greater concern, it points to topics such as the production assemblies, trade union and worker participation in studying and solving various aspects of economic and social development. The resolution states it is necessary to strengthen the role of trade unions as an additional source in the struggle against all forms of conformism and justification of deficiencies.

Another part of the resolution states that the eighth PCC Central Committee plenum has agreed to call on the powerful militant determination of the people, in the spirit of struggle and victory which has always been part of the Cuban revolution. The call is directed at achieving, in the time period up to the second PCC congress, the maximum number of objectives and reduce the truly unachieveable aspects. Now more than ever, the thoughts and actions of the PCC members and revolutionary people should reaffirm the value of conscientiousness, determination to win and the feeling of responsibility to the country and the revolution.

More on Resolution

FL162001 Havana Domestic Television Service in Spanish 1700 GMT 16 May 79 FL

[Excerpts] Since 1976 the electricity generated has gradually increased as a result of investments which assure generating 9 billion kilowatts by 1980. So far in this 5-year period more than 5,000 buses have been built and it is expected that the amount planned for this period--9,000 buses--will be fulfilled. The specialized mechanical industry is working on substantially increasing the manufacture of spare parts for massive consumption. The tasks required in implementing the system of management and planning of the economy have been fulfilled by 96 percent. From the qualitative viewpoint these results are not quite satisfactory due to the problems necessarily brought about by profound reforms in the management of the economy. The plenum stressed the importance that the policy of spare parts production, above all for agriculture, sugar industry and building projects, has in reducing capitalist imports and insuring basic productions.

Medical services have reported progress in the first 3 years of the 1976-1980 period. Nevertheless, efforts should continue to further improve the quality of medical services and, in general, the country's sanitary and health conditions. Stability should be maintained in the supply of medicines and drugs to pharmacies and hospitals. An examination of the cattle industry's activities, which in recent years has shown a poor efficiency record, demonstrates the need for continuing to apply measures, above all of an organizing, technical and control nature, which will make it possible to raise the level of efficiency of this branch, eliminating the lack of discipline, poor methods and the traditional bad habits. Bearing in mind the poor rate in establishing cooperatives in lands owned by small farmers, it is recommended that the Ministry of Agriculture and the National Association of Small Farmers prepare a work program directed at stepping up the process of creating livestock-agricultural production cooperatives and credit and service centers. With respect to educational development the plenum has ascertained with great satisfaction the enormous effort made to cope with the increase in school registrations that has taken place in recent years, especially in the intermediate level where there are more than one million students compared to the 88,000 registered in 1959. Efforts to improve the development of basic technical needs of mass information means, especially in television and radio, are being made, and long-term planning aimed at improving the quality of artistic, educational and ideological contents are under study.

The cooperation and close friendship ties with the Soviet Union have continued to grow stronger and a fraternal association in class and objectives is maintained by the two governments. Relations with other countries of the socialist community have also been strengthened. The denunciation of the betrayal of the Chinese leadership has been a permanent element in our international activity, above all, as a result of the recent brutal aggression unleashed against the heroic Vietnamese people. In Latin America, efforts to strengthen relations with area peoples and in favor of the unity of our sister nations against Yankee imperialism's insatiable exploitation, meddling and domination are being made.